

"CHIP 101" for Legislators

January 8, 2007

CHIP History

- In 1997 the Title XXI of the Social Security Act, enacted by the Balanced Budget Act, authorized federal grants to states for provision of child health assistance to uninsured, low-income children. The program is jointly financed by the federal and state governments and administered by the states.

CHIP History (continued)

- In April 1999 the Montana legislature passed SB81 and appropriated the state match to allow Montana to draw down its federal CHIP allotment. The state's match was funded from Montana's share of the multi-state Tobacco Settlement.
- CHIP outreach and enrollment, funded by the federal CHIP allotment and the state match, began in October 1999 ("Phase II").

CHIP Eligibility

- | | |
|--|---|
| ■ 0-18 years of age | ■ <i>Not</i> insured |
| ■ 150% FPL
(\$30,000/yr for
family of 4 effective
2/1/06) | ■ <i>Not</i> eligible for
Medicaid |
| ■ Resident of Montana | ■ <i>Not</i> eligible for State
of MT or MT
University System
health care benefits |
| ■ US citizen or
qualified alien | |

CHIP Enrollment

- FFY 2006
 - "Ever-enrolled" during FFY 2006 = 17,304 children
 - Average monthly enrollment = 12,464 children
- No waiting list since July 1, 2005
- January 1, 2007 = 13,135 children
- CHIP eligibility ends because children:
 - Turn 19, get Medicaid or other insurance, become eligible for state insurance, move out of state, don't reapply for CHIP or reapply but financially ineligible

CHIP Federal Funding

- 3 years to spend the federal allocation
- Montana spending FFY 2005 & 2006 allocation
- CHIP FMAP rates declining
 - SFY 2007 = 78.63%
 - SFY 2008 = 78.07% (estimated)
 - SFT 2009 = 77.89% (estimated)
- CHIP Federal Re-authorization process scheduled for FFY 2007
- FFY 2007 grant = @ \$15.7 million
- Montana needs an increased federal allocation which covers the annual cost of providing health care to currently enrolled children

CHIP TPA Contract

- Request for Proposal (RFP) issued in May 2006
- Contract with BCBSMT effective October 2006
- State, not BCBSMT, assumes the risk for claims
- Monthly Payment to BCBSMT of \$7.50 per member per month
- Weekly Payment to BCBSMT for paid claims
- \$1.7 million Reserve Account requested (NP 11013)

CHIP Administrative Cap

- State can exceed cap but no federal match above 10%
- Cap applied differently to fully-insured vs. self-administered plan
- Based on benefit costs
 - (enrollment x utilization x unit price)

CHIP Self-Administration Who Does What?

DPHHS

- Manage Third Party Administration (TPA) contract & assume risk
- Manage Dental, eyeglasses and extended mental health benefits
- Quality assurance
- Eligibility determination and enrollment
- Customer Service
- Outreach
- Coordination & referral

BCBSMT – TPA contract

- Medical claims payment
- Provider enrollment and support
- Customer service
- Prior authorization
- Inpatient pre-certification
- Medical review
- Health care management reporting

CHIP Benefits

- Benchmarked on State Employee Health Plan
- Third Party Administrative (TPA) contract with BCBSMT for medical benefits
 - DPHHS assumes risk and pays actual claims costs
 - BCBSMT provider network and claims processing
 - \$1M lifetime benefit maximum per child
- DPHHS pays Fee for Service (FFS) for dental services, eyeglasses and extended mental health services for children with serious emotional disturbances (SED)

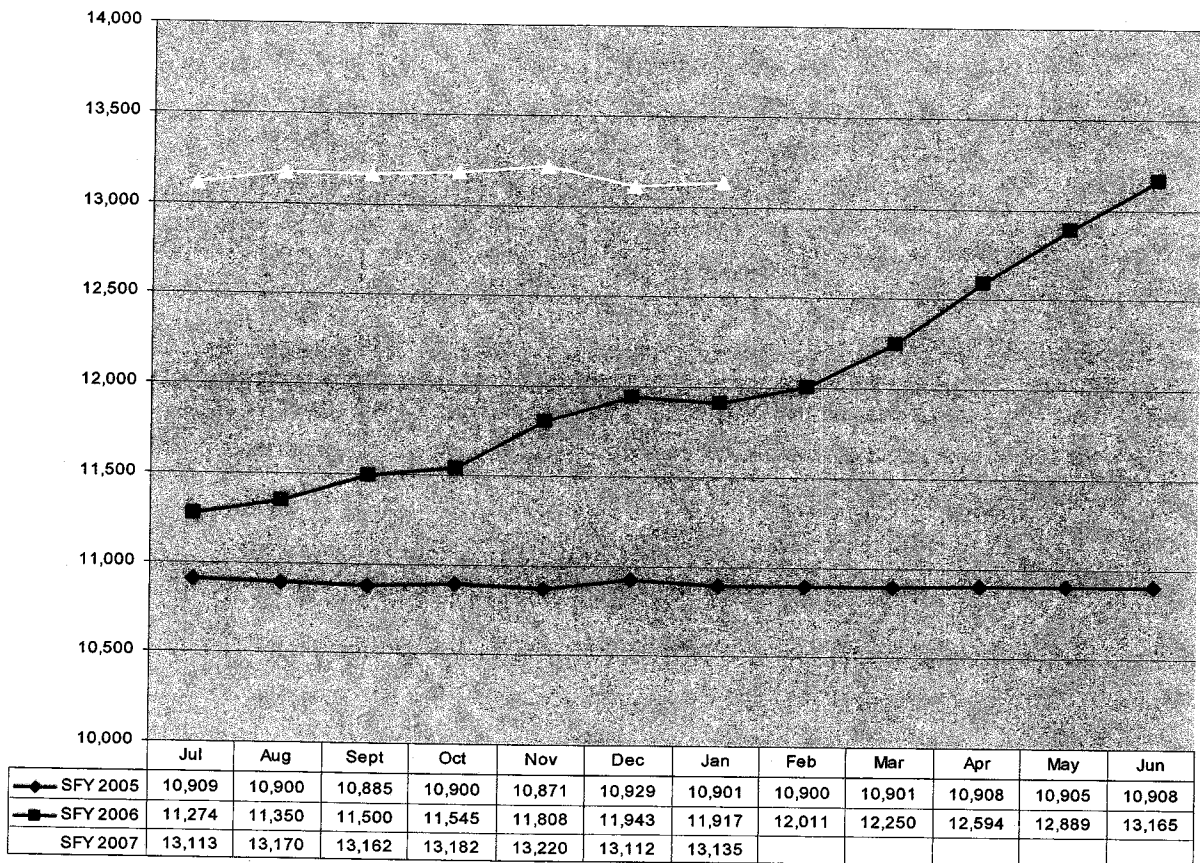
CHIP Benefits

- | | |
|--|--|
| <ul style="list-style-type: none"> ■ Physician, PA, APRN services ■ Sports and employment physicals ■ Surgeries ■ Clinic, ambulatory health care services ■ Prescription drugs ■ Lab and x-ray services ■ Hearing exams | <ul style="list-style-type: none"> ■ Inpatient, outpatient & residential mental health services ■ Extended mental health benefits for children w/ SED ■ Inpatient, outpatient & residential substance abuse services ■ Dental services ■ Vision exams and eyeglasses <p>❖ <i>There are <u>no</u> pre-existing condition limitations</i></p> |
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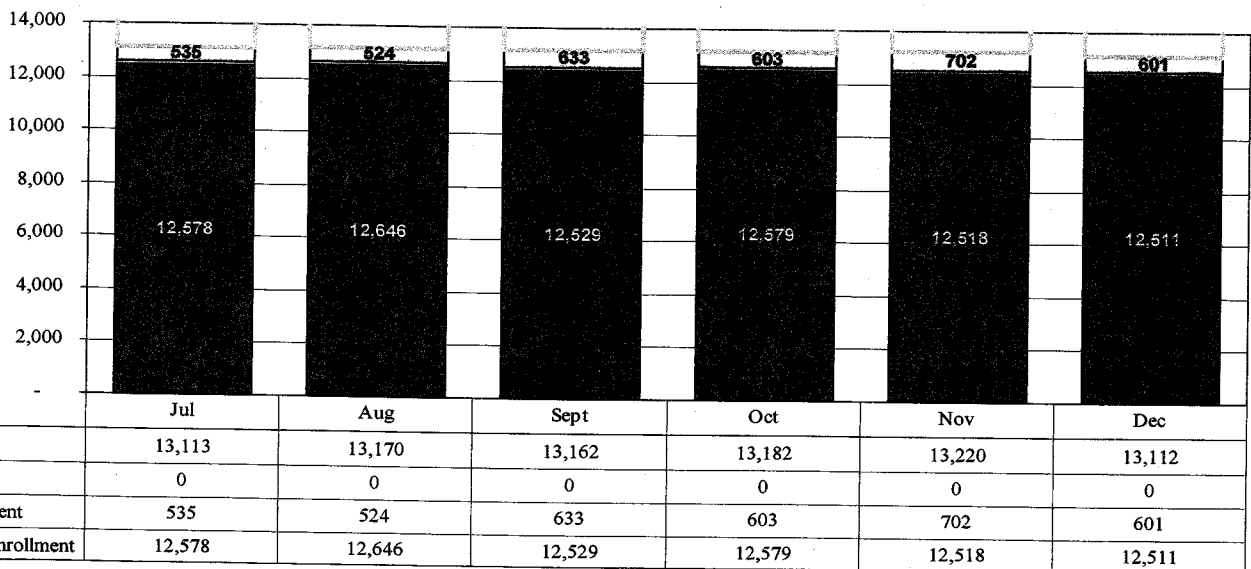
Contact Information

- Mary Dalton, Administrator
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- Jackie Forba, CHIP Bureau Chief
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- CHIP website: www.chip.mt.gov
- CHIP toll-free number: 1-877-543-7669

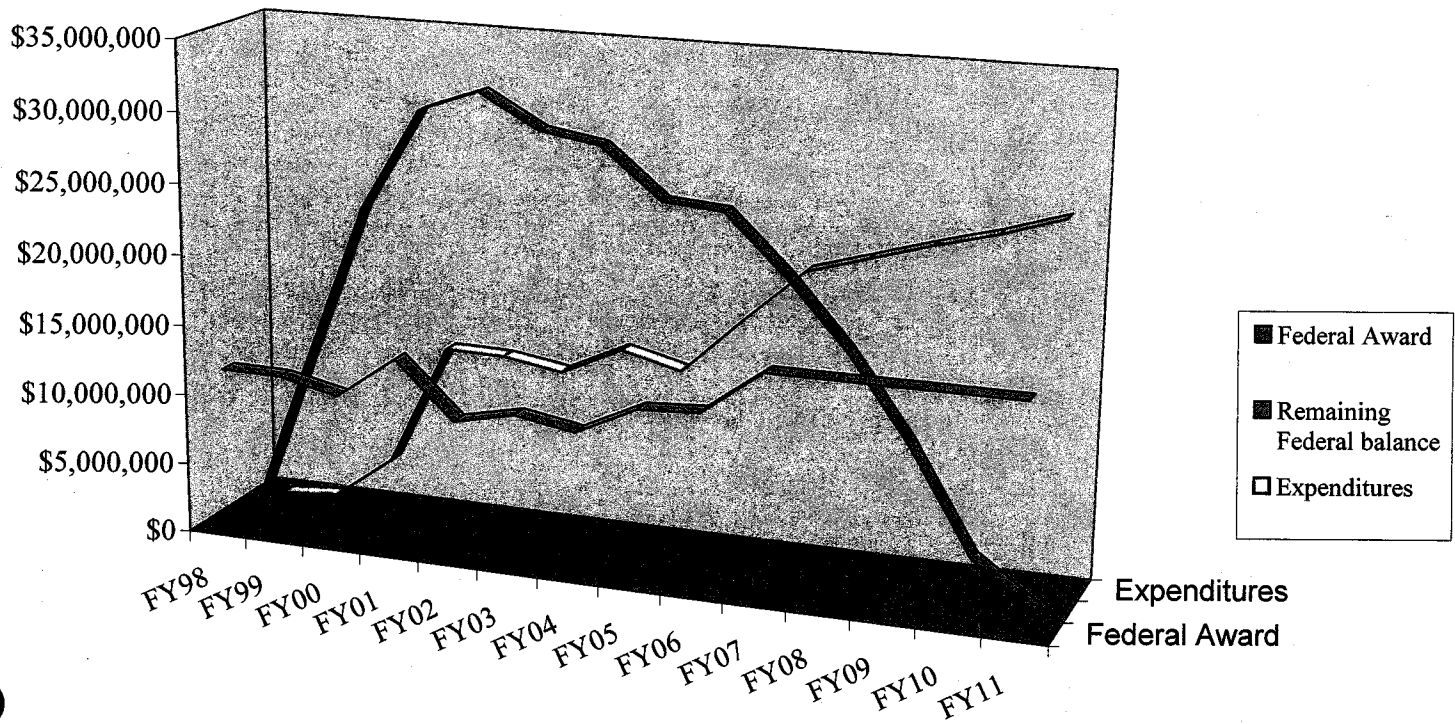
CHIP Monthly Enrollment: SFY 2005 - 2007



CHIP Monthly Enrollment: SFY 2007



CHIP Federal Award vs Expenditures



SFY 2007			SFY 2008			SFY 2009		
Remaining Grant Award (July 1st, 2006)	FFY05	8,523,971	Remaining Grant Award	FFY07	16,375,993	Remaining Grant Award	FFY08	10,397,702
October 1ST, 2005	FFY06	12,558,064	October 1st, 2007 estimate	FFY08	15,736,459	October 1st, 2008 estimate	FFY09	15,736,459
October 1st, 2006 Estimate	FFY07	15,736,459						
Total Federal Grants		36,818,494	Total Federal Grants		32,112,452	Total Federal Grants		26,134,161
Enrollee Expenditures SFY 2007	13,900 enrollees	(20,442,500)	Enrollee Expenditures SFY 2008	13,900 enrollees	(21,714,750)	Enrollee Expenditures SFY 2009	13,900 enrollees	(22,991,535)
Remainder		16,375,993	Remainder		10,397,702	Remainder		3,142,626

SFY 2010			SFY 2011		
Remaining Grant Award	FFY09	3,142,626	Remaining Grant Award	FFY10	0
October 1st, 2009 estimate	FFY10	15,736,459	October 1st, 2010 estimate	FFY11	15,736,459
Total Federal Grants		18,879,085	Total Federal Grants		15,736,459
Enrollee Expenditures SFY 2010	13,900 enrollees	(24,141,112)	Enrollee Expenditures SFY 2011	13,900 enrollees	(25,523,852)
Remainder		(5,262,027)	Remainder		(9,787,393)

